THE ORIGINS AND DEVELOPMENT OF FASCISM

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NATIONS throughout the world to-day might not unfairly be divided into pro- and anti-Fascist camps. Yet in the whole field of political economy there is probably no other term which has caused as much controversy and confusion as Fascism. Is Fascism a more or less accidental intrusion, or an inevitable result of economic development? Is it a transitory stage as its opponents maintain, or does it, as its followers vociferously assert, offer a permanent solution to the economic problems facing the nations of the world? A brief consideration of a few definitions by authorities will show the complete absence of unanimity of opinion among writers on the subject. According to Mussolini, "Fascism conceives of the State as an absolute, in comparison with which all individuals or groups are relative, only to be conceived of in their relation to the State". Hitler sees the Fascist state as "the organisation of a community homogeneous in nature and feeling, for the better furtherance and maintenance of their type and the fulfilment of the destiny marked out for them by Providence". Palme Dutt, one of its ablest critics, summarizes Fascism as "a movement of mixed elements, dominantly petit-bourgeois, but also slum-proletarian and demoralised working class, financed and directed by finance-capital, by the big industrialists, landlords and financiers, to defeat the working-class revolution and smash the working-class organisations". Professor Robert A. Brady, impartial American investigator, in an authoritative work on German Fascism defines it as "monopoly capitalism become conscious of its powers, the conditions of its survival, and mobilized to crush all opposition. It is capitalism mobilized to crush trade unions, to wipe out radical and liberal criticism, to promote, with the sum total of all its internal resources, economic advantage at home and abroad." Gentile, Fascist philosopher, describes it as a "wholly spiritual creation". Gregor Strasser included among the elements of Fascism

"the Prussian officers' system of selection by achievement; the incorruptibility of the German official; the old walls, the town hall, [and] the cathedral of the free Imperial city"(!). In the light of such widely divergent opinions, it becomes necessary to observe the developments of Fascism in relation to the *forces which produced it* before coming to a conclusion that can claim any validity whatsoever. Within the very limited space at its disposal, this essay is an attempt at such a study and evaluation.

The economic crisis facing the world to-day provides the soil from which Fascism springs. The rapid expansion characteristic of nineteenth-century and pre-war capitalism is in sharp contrast to the situation as it exists to-day. According to a League of Nations report,[1] "If the line of trend from 1860 to 1913 is extended to 1932, the rather startling conclusion is reached that the index of world production, on the hypothesis that nothing had occurred to alter its regular upward trend for the fifty preceding years, would to-day be rather more than twice as great as it actually is". Palme Dutt,[2] surveying the situation from a quite different angle, arrives at a similar conclusion: "the modern development of technique and productive powers has reached a point at which the existing capitalist forms are more and more incompatible with the further development of production and utilisation of technique." The highly theoretical and sharply disputed explanations of that phenomenon do not concern us here. The fact remains that there is a crisis; and the further fact that the usual attempt at solution has, under existing economic relationships, but increased the discrepancy is admitted in even the most orthodox circles. The resultant threat to economic security is basic to the development of Fascism.

Political repercussions to economic crises have undoubtedly played an important part in the development of Fascism. Governments have come and gone. It has mattered little whether they were Conservative, Liberal, or Social-Democratic; they have met the same fate. They rolled into office on one wave of mass discontent and they tumbled out on another. Not infrequently political stalemate prevented even an attempt to function. In Austria the Nazis, the Heimwehr, and the Social-Democrats effectually offset Dollfuss's

[1] *World Economic Survey, 1932-33,* p. 82.

[2] *Fascism and Social Revolution* (New York, 1934), p. 14.

Social Clerical group. His cold-blooded slaughter of the Socialists was an effort to work his way out of this impasse. In Italy the Catholic and Socialist parties fought to a draw at a time when Mussolini could collect but 4,000 votes to his Socialist opponent's 180,000. In Germany economic chaos, numerous political parties, and proportional representation combined to produce as ill-assorted a group as ever slept in a common cabinet bed. The marvel is that democracy lasted in Germany until 1930.

The result of futility and stalemate was an ever-increasing dissatisfaction on the part of the masses with parliamentarianism. This was particularly true when a Social-Democratic government had failed, for it was generally believed that such a government really had the welfare of the masses at heart. At this point it becomes necessary to consider in some detail the relationship between Social Democracy and Fascism. That the former has definitely contributed to the success of Fascism in Austria, Germany, and Italy is an established fact. Whether that contribution was *deliberate* or simply the result of misunderstanding, consistent bungling, and lack of courage, is still disputed.

Social Democracy is a collective term including all those groups who, professing Socialism as their ultimate goal, believe they can achieve that end through the use of *existing* political, legal, and economic institutions. Its approach is, therefore, essentially *constitutional.* The British Labour party, the Social Democratic party of Germany, and the Austrian and Italian Socialists come under this heading. One might also include the Coöperative Commonwealth Federation of Canada. What is perhaps the most penetrating analysis ever made of the historical role of Social Democracy appeared in two "confidential" bulletins of the Federation of German industry.[3] This analysis, expressed through the official organ of large scale German industry, shows clearly that German Capitalism knew it had nothing to fear from Social Democracy. Lack of space precludes more than a bare summary of the views put forth, but they should be read in their entirety for a full appreciation of their significance.

According to the bulletins, the threat of revolution after the World War placed German Capitalism in a precarious position. Military force alone was too dangerous a weapon for maintaining

[3]Quoted at length in *ibid.,* pp. 171-4.

the *status quo*. The only alternative was to *split* the working-class, form an alliance with one section of it, and by this means keep the other, and more revolutionary element, in check. The Social Democratic party was the tool used to effect this split: "Social Democracy brought into the system of reconstruction at that time . . . the organized working-class, and *while paralysing their revolutionary energy chained them fast to the bourgeois State*" (italics mine). The price paid for such allegiance consisted of greater economic security to *organized* labour and a liberal social policy. Unfortunately the severe economic crisis through which the world was passing rendered it impossible for German Capitalism to continue those payments for services rendered. In the resultant decline in the popularity of Social Democracy, Communism again threatened. The situation was such that "the only possible means of saving bourgeois rule from this abyss is to effect the splitting of the working-class and its tying to the State apparatus *by other and more direct means* [italics mine]. Herein lie the positive possibilities and the tasks of National Socialism." The political ramifications of this development are clearly elucidated in the following words: "A bourgeois regime based on a liberal bourgeois constitution must not only be parliamentary; it must rely for support on Social Democracy and allow Social Democracy adequate achievements. A bourgeois regime which destroys these achievements must sacrifice Social Democracy and parliamentarianism, must create a substitute for Social Democracy, and must go over to a *restricted social constitution*" (italics mine). The bulletin then draws an interesting parallel between Social Democracy and Fascism: both promised the masses a revolution and then "led them to the new formation of bourgeois rule". The conclusion is, naturally enough, that "National Socialism has taken over from Social Democracy the task of providing the mass-support for the rule of the bourgeoisie in Germany". Such is the opinion of German Capitalism on the role of Social Democracy.

One thing is certain: Social Democracy has failed lamentably in every case in which it has been actually confronted by Fascism. That failure lies in the *means used* to carry out its programme. As Mowrer asks, "What can be said for a republic [under Social Democratic rule] that allows its laws to be interpreted by monarchist judges, its government to be administered by old-time functionaries

brought up in fidelity to the old regime; that watches passively while reactionary school teachers and professors teach its children to despise the present freedom in favour of a glorified feudal past; that permits and encourages the revival of the militarism which was chiefly responsible for the country's previous humiliation?"[4] In Austria Social Democracy proved just as egregious a failure.[5] In 1919 it could have socialized the very "pivot of Austrian industry", but it failed to do so. It "socialized some of the luxuries of life but none of the necessities", and eventually lost out to Clerical Fascism "because of its own decency". Bauer, its leader, was a fine theorist and an able debater, but utterly helpless in the face of unexpected realities. In 1933 a bold stroke would have ended the Dollfuss menace to Social Democracy but Bauer hesitated, negotiated, and lost. Too late he saw it and confessed: "It was a mistake—the most fatal of all our mistakes." And the story of his incompetence on the very eve of Dollfuss's massacre of Vienna workers is the tale of an even more tragic blunder.

In Italy it was exactly the same story. In the fall of 1920, northern industrial workers seized a large number of industrial units, and were prepared to operate them. Effective opposition at that particular time did not exist. Here was the greatest opportunity ever offered Social Democracy, and it again failed miserably. Lack of courage, complete bankruptcy of leadership, and the total absence of a plan prevented what would undoubtedly have been a successful and bloodless revolution. The following year the Social Democrats ousted their really active minority, and then proceeded to carry on in their usual manner—debating inconsequential trifles in a scholarly fashion. Salvemini, noted historian and anything but a revolutionary, describes the situation as follows: "Had the leaders of the General Confederation of Labour and of the Socialist Party wished to strike a decisive blow, here was the opportunity. . . . The bankers, the big industrialists and big landlords waited for the social revolution

[4]E. A. Mowrer, *Germany Puts the Clock Back* (London, 1933), p. 17. See also R. A. Brady, *The Spirit and Structure of German Fascism* (New York, 1937), pp. 16-7; H. Lichtenberger, *The Third Reich* (New York, 1937), pp. 6 *ff.*; F. L. Schuman, *Hitler and the Nazi Dictatorship* (London, 1936), p. 172.

[5]See John Gunther, *Inside Europe* (New York and London, 1936), pp. 283-5.

as sheep wait to be led to the slaughter. If a Communist revolution could be brought about by bewilderment and cowardice on the part of the ruling classes, the Italian people in September, 1920, could have made as many Communist revolutions as they wished."[6] If any further proof is necessary, consider the words of the secretary of the General Confederation who, two years later, remarked: "But after we had the honour [!] of preventing a revolutionary catastrophe—Fascism arrived."[7]

The ghastly tragedy being enacted in Spain to-day can certainly be partly attributed to the policy pursued by the Social Democrats. From 1931 to 1933 the Azaña government did many important things. It disestablished the church, nationalized its property, completely separated it from both the state and education, and dissolved the Jesuit order. Thousands of army officers were pensioned off; primary school education was made free and compulsory; the nobility lost their titles; women were given the franchise; Catalonia gained its practical independence; a thorough-going land reform project was proposed and considered though never carried out. But no mere parliamentarianism could revolutionize the Spain of that period, as Gunther clearly saw when he wrote: "If he [Azaña] had only been less legalistic! But he chose a democratic parliament as a weapon of revolution—and failed."[8] The Lerroux-Robles reaction produced a revolt which was crushed in bloodshed—twenty-five thousand progressives were in jail at the close of 1935. All this *should* have taught the Social Democrats much, but it taught them nothing. Returned to power early in 1936, they pursued almost exactly the same "constitutionally radical" policy that had ended in failure in 1933. In 1936 the Social Democrats still had illusions, but the *extreme right* had none. Reforms that would have been grudgingly tolerated by a more enlightened group in a more advanced country were anathema to them. *They* struck viciously in defence of their own interests, and tossed "constitutionalism" to one side as if it had never mattered. The only thing that could have prevented the present Fascist rebellion in Spain was a revolution which would definitely have ended the

[6]G. Salvemini, *The Fascist Dictatorship* (New York, 1927), vol. I, p. 64.

[7]*Daily Herald,* April 12, 1928; quoted by Palme Dutt, *Fascism and Social Revolution,* p. 119.

[8]See also Brady, *The Spirit and Structure of German Fascism,* p. 17.

economic control of the landed nobility, the church hierarchy, large scale industrialists, financiers, army leaders, the civil service, and the civil guard. Social Democracy's halfway measures made Fascism possible in Germany; they made a bloody counter-revolution inevitable in Spain.

Further illustration of the weakness of Social Democracy is unnecessary. The above is not to be construed as a criticism of *all* parties who do not produce revolutions! It is a criticism of a party which, in the light of the promises it makes, the philosophy it espouses, and the goal at which it aims, fails to comprehend in the face of repeated failures that *only a revolution* can produce the things for which it ostensibly stands. If this criticism at first seems a bit harsh, one has only to reflect upon the attitude of Social Democracy in the Anglo-American countries to-day. It does criticize the groups more orthodox than itself, but its real attack is reserved for those to its left. This attitude is probably the result of a sub-conscious realization of where its true allegiance rests. Social Democracy, judged solely on the basis of what it has actually done, and the part that it has played in the development of Fascism, cannot be considered a left-wing party. It is not without reason that Schuman refers to the "cowardice and treachery" of Social Democracy. Monopoly capital in the older industrial countries trusts Social Democracy and uses it as long as it serves its purpose. Monopoly capital in Spain, the United States, and Canada, seeing fundamental issues less clearly, is still suspicious.

A usual concomitant of mass disillusionment with parliamentarianism is an increase in the numbers and power of the extreme *left*. This development instils fear of revolution into the more conservative elements of capitalist society.[9] In such circumstances embryonic Fascism appears.

To begin with Fascism is a petty middle-class movement. Small traders, small landowners, independent artisans, technicians, members of the professions, the "white-collar" group, and others of similar economic status are its earliest recruits. To them can usually

[9]The Communists of Germany polled 590,000 votes in the election of 1920; 3,230,000 in 1928; 4,500,000 in 1930; and 5,980,939 in 1933. See Brady, *The Spirit and Structure of German Fascism,* p. 16; and *cf.* Schuman, *Hitler and the Nazi Dictatorship,* p. 159.

be added certain "de-classed" groups including sections of unorganized labour, clerical trade unions, and the army. At first, curiously enough in view of what invariably happens later, this motley group is vigorous in its condemnation of monopoly capital interests such as large scale industrialists, landlords, financiers, and the owners of department and chain stores. Their own economic security seriously threatened, they demand protection against the so-called Big Interests. This fact accounts for the critical and often socialistic nature of the Fascist programme in its earliest phase. For example, consider the official Italian Fascist programme adopted in October, 1919. It advocated, among other things, a republican form of government; decentralization of the executive power and the right of popular initiative, referendum, and veto; universal suffrage; the abolition of the Senate, political police, caste-titles, conscription, speculation, and stock companies; the confiscation of "unproductive" revenues and landed estates (which were to be distributed among the peasants); and finally promised labour a direct voice in the operation of industry! The British Labour party in its rashest moments, if it has ever had rash moments, would never have had the temerity to consider such a programme. That adopted by the German Nazi party in 1920, and re-affirmed in 1926 as "unalterable", was even more socialistic.[10] The reasons for the radical aspects of such programmes are obvious: Fascism *originates* in social unrest, and mere criticism is not nearly enough; also, since the movement must have a *mass basis* in order to achieve success at the polls, its net must be cast far and wide; lastly, Fascism must of necessity compete with Socialism for many of its early following, and therefore finds it necessary to steal numerous Socialist planks. In the case of Germany, it has been necessary to steal the very name itself, and National Socialism and Fascism are synonymous terms to-day.

There are other elements in the early Fascist programmes, elements which are completely inconsistent with those outlined above, and clearly demarcate the Fascist from the real Socialist programme. They are, first, a fanatical and often violent nationalism, and, secondly, a cult of mysticism. The former is so well known as to need no elaboration. The latter is most clearly brought out by

[10] *Cf.* Schuman, *Hitler and the Nazi Dictatorship*, pp. 15-21; also Konrad Heiden, *A History of National Socialism* (New York, 1935), pp. 3-8.

quoting from the speeches and writings of the various Fascist leaders. Doriot considers it necessary "to forge a collective soul". Colonel de la Rocque, leader of the French Croix de Feu, talks vaguely of restoring "the *mystique* of sacrifice for the fatherland". Mussolini writes: "The Fascist State, the most potent and highest form of the personality, is a force, but a spiritual one, which sums up all the forms of man's moral and intellectual life. . . . It is an interior form and norm and a discipline of the whole person; it permeates the will like the intelligence. Its principle, a central inspiration of the human personality living in the civic community, descends deeply and lodges in the heart of the man of action as well as the thinker, of the artist as well as the scientist: it is the soul of the soul." Hitler writes of "the destiny marked out for them [Germans] by Providence". Mosley considers "Fascist organisation is the method of world peace among nations bound together by the universal Fascism of the twentieth century". All in all it may be fairly said that the earlier programmes are masterpieces of inconsistency, ambiguity, contradiction, and mysticism. How much of them is downright obfuscation, how much the result of sheer muddle-headedness, it is hard to determine. But when one remembers the object of such a platform—the acquiring of mass support—one suspects there is more than a bit of deliberate misleading. Conservatism, Liberalism, Socialism, and Communism have their more or less distinct economic and political philosophies, although they may and do overlap at times. No such philosophical unity exists in early Fascism, as Mussolini makes clear in the following words: "Doctrine, beautifully defined and carefully elucidated, with headlines and paragraphs, might be lacking; but there was to take its place something more decisive—Faith." Faith in what? The LEADER. That is why a *Führer* or a *Duce* is essential to the rise of Fascism. Only the blindest devotion to a given leader can explain an ever-increasing following in the face of the inherent and glaringly apparent inconsistencies and contradictions which clutter up the Fascist band-wagon. Spell-binding and rank opportunism are the essential qualifications for such leadership. Adolf Hitler, Benito Mussolini, and Oswald Mosley are the three greatest political athletes alive to-day; and all three have the same specialties—political hurdling, and the economic hop-step-and-jump. The mere fact that Mosley has not succeeded in gaining

power detracts in no way from his peculiar abilities. Given the German or the Italian situation, it is quite possible that he would have had success comparable to that now enjoyed by his German and Italian *confrères*. In summary, Fascism develops out of economic crisis and disillusionment with parliamentarianism; it is originally a *petit-bourgeois* movement with a polyglot programme, and is held together by a blindly accepted leader.

Fascism in Italy and Germany succeeded to power when it finally received the support, surreptitiously or otherwise, of the monopoly capital elements whose interests it *originally* criticized and even threatened.[11] This is not as astonishing as it may seem on the surface. Opportunism has already been mentioned as one of the cardinal qualifications for Fascist leadership. If the party is to continue to expand its membership, it must continue to travel to the *right* because, if it did otherwise, it would soon lose its identity in the parties of the extreme *left*. So, bit by bit, the quasi-socialistic elements in the programme are quietly shed, and others adopted. In other words, National Socialism becomes more and more nationalist and less and less socialist. It finally emerges as a thorough-going nationalist party which finds its logical and natural enemy in that genuinely socialist group some of whose planks it had previously pretended to espouse. This metamorphosis is by no means either perceived or understood by the petty rank and file of the Fascist group, some of whom doubtless remain under the delusion that they are members of a reform party. But it *is* clearly perceived and thoroughly understood by monopoly capital interests, especially when those interests find themselves confronted by the possibility of Communism or loss of political control. This is exactly what took place in Italy and Germany. Mussolini, openly derided, scoffed at, and scorned by both Capitalist and Socialist factions in 1919, "marched on" Rome in 1922 in a *wagon-lit*, backed by industrialists, large land-owners, and financiers, with the tacit consent of the army, the neutrality of the church, and the twice-repeated (once oral, once written!) "invitation" of the king of Italy.[12] Hitler, a foreign trouble-maker, was ridiculed, shot at, and jailed in 1923. Ten years later,

[11]See Brady, *The Spirit and Structure of German Fascism*, pp. 20-1; and Schuman, *Hitler and the Nazi Dictatorship*, pp. 182-8.

[12]See Brady, *The Spirit and Structure of German Fascism*, p. 363.

with the connivance of von Papen and Hugenberg who undoubtedly influenced poor old von Hindenburg, Hitler became chancellor of the German Reich; and that *after* his party had recently lost both prestige and votes at the polls. Thus Fascism comes into power through a union of what might be called Big and Little capital interests.[13]

This marriage, like so many others, has its elements of incompatibility. The impossibility of harmonizing the mutually antagonistic economic interests of the two parties involved in the union is one of the most baffling problems confronting Fascist governments to-day. Monopoly capital interests have invariably won out, and Fascism has come to be synonymous with Monopoly Capitalism. The danger remains, however, that the dissatisfied element may understand what is happening and transfer its political allegiance to genuine left-wing groups, thus endangering, if not wrecking, the mass basis so essential to control as long as *political* democracy exists. Consequently, dictatorship must accompany Fascism. The speed at which the transformation takes place depends upon existing circumstances. In Germany it was almost automatic, for practical absolutism had existed for over two years before Hitler became chancellor. In Italy the development came much more slowly. For more than two years, Mussolini kept, partly at least, within constitutional limits. The election of 1924 had the Matteotti "incident" frightened him and showed him the danger of such a procedure. Out and out dictatorship followed, although it was months before he recovered the nerve necessary to take the final steps. Pathetically incompetent leadership on the part of the opposition, far more than any action on the part of *Il Duce* himself, spelled the doom of democracy in Italy. But Fascist dictatorship offers no solution for the economic problems of the rank and file within the party. One needs only to glance at the recent labour and social legislation of both Italy and Germany to understand how firmly Monopoly Capitalism is in the saddle. Dissident Fascist groups have been shown scant mercy. Undoubtedly one reason for the official murders in Germany of June 30, 1934, was the "liquidation" of certain S.A. leaders. As one writer has put it, that bloody purge "ended finally 'radicalism' in the party". The

[13] *Cf.* C. B. Hoover, *Germany Enters the Third Reich* (New York, 1933), p. 83.

Rossoni group in Italy has caused the government a bit of embarrassment at times, but so far drastic measures have been unnecessary.

A technical and detailed analysis of Fascism in maturity does not fall within the confines of this essay. A brief survey of its economic essentials will suffice to show that it is simply Capitalism in crisis and carried to the logical extreme. Private ownership of the means of production and distribution, and production for profit, are the cornerstones of Fascist as well as of laissez-faire Capitalism. There has been some attempt at economic planning, but this is not distinctive of Fascism. Current attempts at economic planning and state regulation have been carried even further in the United States and Great Britain; and those two countries are still democracies. Political absolutism is a necessity to the Fascist state; but it alone is not definitive, for the old Russian and Germany, and Spain up to 1931, though they were undemocratic, were *not* Fascist states. The term Corporate state is a mystical alias.[14] The best possible reference for such a statement is Mussolini himself. On the legal establishment of twenty-two corporations in November, 1934, he proclaimed: "It is as yet premature to say what developments the Corporative System may have in Italy and elsewhere from the point of view of the production and distribution of goods. Ours is a point of departure, not of arrival." On another occasion he declared: "Corporations are the instrument which, under the aegis of the State, actualises the integral, organic and unitary discipline of the productive forces, with a view to the development of the wealth, the political power and the well-being of the Italian people." Rossoni is equally enlightening: "The Corporation is not to be defined in legal terms. The Corporation is a state of mind. It is one big family." Undoubtedly the more radical among Italian Fascists visualize as a goal a sort of State Capitalism under which employer and employee work for the common good of the state. This is what might be called the "mystical uplift" group. The owning group has no such illusory dreams. It realizes clearly that the government can do much for it, can assist it, make investigations, collect statistics, act for it abroad, look after the strictly political end of things, keep labour in its place, and, in general, provide those services which every government except one of the purest laissez-faire variety (existing in text-books only) has

[14]See H. Finer, *Mussolini's Italy* (New York, 1935), pp. 492 *ff.*

always performed. But it wants, and will tolerate, no *serious* interference. Mussolini's position is unquestionably between the two groups. "Mystical uplift" has done a lot for him, and he likes it as an idea. But he is too close to reality to be able to visualize a government *in vacuo,* existing only in and for itself. He knows full well that every government represents many interests in general and certain interests in particular. At times he may chafe at the thought of any form of control, just as monopoly capital may worry a bit concerning his fiercely individualistic outbursts; but both know that, for the time being at least, their interests are identical.

So far there would seem to be no essential difference between the Capitalism of, say, Great Britain and that of Italy. Such a conclusion would be quite false. British Capitalism is democratic, that of Italy autocratic. Democratic Capitalism implies two rights which are nonexistent in Fascist countries to-day: first, the working-class is allowed to form *its own* economic organizations, and, secondly, it is allowed *independent* political activity. These two essentials clearly demarcate Democratic from Fascist Capitalism. There is another, though minor, distinction which merits a passing reference—the difference in emphasis on nationalism. Though, under Democratic Capitalism, states have fought to preserve their national interests, they have, nevertheless, usually treated the rights of other nations with respect. Fascist states, however, employ the same draconian ruthlessness in their foreign relations that is so characteristic of their purely domestic policies. The difference is one of degree only, but it does serve to demarcate further Democratic from Fascist Capitalism. With these distinctions in mind, we may attempt a definition of Fascism. Fascism is simply *Undemocratic Capitalism*[15] whose sole purpose is the maintenance and furtherance, at home and abroad, of the interests which placed it in power and which it represents. To achieve that purpose, the Fascist machine establishes an absolute control over "all activities and all thought, ideas and values" of the entire nation. The slightest criticism is ruthlessly repressed. Freedom of speech, of assembly, and of the press go by the board. Independent working-class organizations are completely smashed. The church must choose between selling its soul and suffering bitter persecution. It has chosen one course in Italy and Spain, the other in Germany. Science degenerates

[15] *Cf.* Schuman, *Hitler and the Nazi Dictatorship,* p. 501.

into "pseudo-scientific nonsense". Above all, the Fascist nation girds itself for war, war being the logical and inevitable outcome of failure in the blind pursuit of rampant economic nationalism.[16] Binding treaties do not exist in the eyes of the Fascist state, and the *declaration* of war has become an anachronism. Fascism

> believes neither in the possibility nor the utility of perpetual peace. It thus repudiates the doctrine of Pacifism—born of a renunciation of the struggle and an act of cowardice in the face of sacrifice. War alone brings up to its highest tension all human energy and puts the stamp of nobility upon the peoples who have the courage to meet it. All other trials are substitutes, which never really put men into the position where they have to make the great decision—the alternate of life or death. Thus a doctrine which is founded on this harmful postulate of peace is hostile to Fascism.

So writes Mussolini. It is no accident that Fascist nations to-day are, literally, nations in arms.

The question now arises: since Fascism is the result of Capitalism in crisis, is it not logical to expect its appearance in other countries when they face a similar crisis? The answer is: *Yes.*[17]. When Fascism was an almost purely Italian monopoly, it was blithely dismissed elsewhere as a development which could take place only in "backward" countries. It was frequently suggested, also, that the "Latin temperament" had something to do with it. The rise to power of Fascism in Germany struck these glib explanations a heavy blow, for Germany is one of the most highly developed countries; and even the most superb rationalist finds it difficult to equate German and Italian "temperaments". Clearly, another explanation is necessary. The reason why Fascism struck Italy and Germany is that, because of certain specific developments, Italian and German Capitalisms encountered the crisis earlier, and in a more severe form, than any of their contemporaries. The truth of such a statement is self-evident from even a casual survey of the economic conditions confronting those countries on the eve of Fascism.

Italy is, from the standpoint of economic essentials, one of the most unfortunately placed of all countries. Her paucity of raw materials is notorious. Italy proper is one-third the size of Ontario and has twelve times its population. Forty per cent of her land is

[16] *Cf. ibid.*, p. 504.
[17] *Cf. ibid.*, p. 500.

incapable of cultivation. The result is that she is forced to import about 20 per cent of her food. She possesses no manganese, tin, rubber, tungsten, nickel, chromium, mica. She is also forced to import over 90 per cent of her cotton, coal, mineral oil, and copper; and over 80 per cent of her wool, iron, and steel. She is largely agricultural; such industry as she has developed has been forced to compete with that of nations better situated or more highly industrialized than herself. Her textile industry faces ruinous competition with that of Britain, the United States, and Japan. Her wines compete with those of France, Spain, and Germany. Substitutes have hurt her olive oil industry. Her silks fight a losing battle with those of France, Japan, and China, and silk substitutes are an ever-growing menace. Her market for marble is disappearing; Texas has wiped out her sulphur monopoly. She has few foreign investments, sells no financial services, and subsidizes her shipping. The result has been one of the lowest standards of living in Europe and a high percentage of illiteracy. Add to all that the huge losses, increased national debt, and heavy inflation due to the World War, the financial crash of 1919, complete political stalemate, and the constant fear of Communism described previously, and the capitalist crisis in Italy is fully understandable.

The case of Germany is so widely known as to need no more than a reference. Practically single-handed she fought the most powerful nations of the world with the losses one would expect under the circumstances. The peace terms further denuded her, reduced her to military impotence, and practically took away her sovereign rights. The Weimar constitution guaranteed political instability. The marvel of it all is that Germany did not develop either Fascism or Communism long before 1933.

In Italy and Germany, as well as in Austria, Monopoly Capitalism found itself backed to the wall by forces over which it had little or no control, faced with grave political instability and the ever-present menace of extinction by Communism. Fascism and Communism were the only alternatives. Monopoly Capitalism could control Fascism and, if necessary, twist it slightly to make it conform absolutely with its own interests. And this it proceeded to do.

Elsewhere, the hope of escaping similar developments depends upon avoiding a continuance, or a deepening, of economic crisis.

Few economists, even the most conservatively inclined, are at all sanguine regarding long-run prospects. Mr. Keynes, than whom no greater theoretical influence (Douglas included) exists in Canada, is already eyeing 1939-40 with apprehension. How long can the present awe-inspiring armament race continue without producing war or bankruptcy? And if this suicidal race *were* abandoned, what would be the effect upon heavy industry and employment, both of which are fundamental to a nation's economic well-being? Economic magicians (theorists in general) may scoff at such an "elementary" analysis, and glibly mention several ways out. The truth is that in the past innumerable economic rabbits, pink and otherwise, have been produced from innumerable theoretical hats, without solving the world's economic maladjustment. In short, economic crisis, present "prosperity" notwithstanding, is still with us, and the remaining democracies will yet be confronted with developments similar to those witnessed in the Fascist countries.[18]

The reasons why Britain, France, the United States, and Canada, among others, have so far escaped as lightly as they have, are not far to seek. In some cases, that of Britain in particular, priority over others in industrial and imperial development produced an economic "back-log" that has so far rendered invaluable service. Her chronic unfavourable visible balance of trade has been much more than offset by the income from her investments abroad and the sale of shipping, financial, and other services to her Dominions and to foreigners. The resultant inflow of great wealth enabled her most fortunately situated group to live in luxury, while it guaranteed the lower middle class solid comfort and undeniable respectability, the two great perquisites of that most important stratum of English society. Even the working-class had but little to complain of in the past. It was fed, clothed, and sheltered in a fashion rarely approached in the rest of Europe. It was educated, given the franchise, and allowed to form its own economic and political organizations. On two occasions it was permitted to govern the country, though under the supervisory eye of another party. Under such circumstances extreme radicalism made little headway in Britain, and is still of minor importance. The British working-class is industrious, law-

[18]See Brady, *The Spirit and Structure of German Fascism*, part III, for a detailed discussion of the same point.

abiding, patriotic, cautious; it may and does grumble at times; but it knows its place and its betters. Under such conditions, Democracy was inevitable. Britain was wealthy enough to afford it; it worked with a minimum of friction; it became a *tradition*. But the economic foundation upon which this democracy rests is increasingly threatened to-day. Competition in the world market is becoming ever keener, and that market is growing ever smaller through the rapid advance of economic nationalism abroad. The inflow of wealth has been seriously curtailed in the last two decades, although that curtailment passed unnoticed by the layman until the crash. Unemployment has become a permanent problem: the chances of reaching an irreducible minimum below a million in time of peace are admittedly small. Stanley Baldwin, in a parliamentary address in 1934, stated that Britain had gone about as far as she could by *domestic* measures alone; further improvement depended upon outside factors. (This was before Britain entered the rearmament race.) And the world situation to-day is an ominous one for a nation whose whole economic structure is built upon, and tied to, world markets. A curtailed economy will affect first of all the British working-class. And, as implacably stolid and as utterly immovable as it appears to be to-day, it will react exactly as did others when the shoe begins to pinch. Will British "traditions" prevent British workers from action taken to protect themselves, or British monopoly capital from defending its interests by whatever means are necessary? It is utter nonsense to believe it.

What is probably one of the greatest unexploded political myths of all time is that the British ruling class has only one method of accomplishing anything—to "muddle through". Water Page, former American ambassador to Britain, was not deceived by this popular superstition: "They call these old Tories 'Diehards'. It's a good name. They use military power, social power, financial power, eloquence, learning, boundless impudence, blackguardism—everything —to hold what they have; and they fight—fight like tigers, and tire not."[19] The last three elections which have produced Conservative (or National) governments support the above shrewd observation. 1924 witnessed the questionable Zinovieff letter episode. 1931 saw

[19]Quoted in Palme Dutt, *Fascism and Social Revolution*, p. 258.

an election to "save the pound", and the pound got short shrift when the desired result had been attained. The 1935 election was won on a promise of supporting the League; yet Baldwin has since confessed that his government knew at the time of the election that it intended to betray the League as soon as re-election was confirmed. For months the Simpson case had been flamboyantly featured in the American press; not a single British paper ventured to bring up the subject. The most popular sovereign in British history, the "idol of the masses", was handed an ultimatum, and practically forced to abdicate. Each one of these episodes may in itself have been understandable, even laudable. The important thing to remember is that probably no governing group in the world can and does act more swiftly, decisively, and ruthlessly in an emergency than the British ruling class. One has but to glance at the record of the present government in foreign affairs to realize just how cold-bloodedly materialistic that class can be. Even Lord Eustace Percy, one of its recent Cabinet members, remarked from a public platform that it was a record in which he himself could take no pride.

Another myth currently believed in Canada is that the present government has somehow led Britain out of the depression without interfering with the management of private enterprise. Nothing could be further from the truth. As a British professor has pointed out:[20] "The changes made during the depression, however, represent a departure from traditional policy comparable in magnitude with, though much less discussed than, the 'New Deal' of the United States." British finance, industry, commerce, and agriculture are controlled to-day as never before in time of peace since the close of the mercantilistic era.

From the above it is apparent why Fascism has made so little progress in Britain. *There has been no need for it.* British monopoly capital has so far been able to afford the luxury of a democracy, to accomplish its purpose (protecting its own interests) without the necessity of direct and undemocratic control. But even in Britain a significant change in the method of governing has been taking place. The use of so-called "stampede elections" has been referred to, as has the indirect control of the press. Less noticeable, because

[20]J. H. Richardson, *British Economic Foreign Policy* (New York, 1936), p. 7.

less spectacular, has been the weakening of Parliament as a policy-making body, and a corresponding increase in the power of the executive. Emergency Power legislation, the increasing deputation of power to various commissions, the extension and militarization of police power, the Trade Union Act of 1927, the Incitement to Disaffection Act, the Political Uniforms Act, the Means Test, and other similar developments are all significant when one considers the basic concepts of the type of democracy under which most of us were reared. If and when the crisis deepens, parallel developments to those which have occurred on the continent will take place in Britain.

And not only in Britain. France, old, wise, an empire, and almost fanatical in the tenacity with which her people cling to individualism and the democratic ideal, escaped the probability of Fascism only by developing a United Front against it. The retention of Democracy depends upon the ability of that Front to remain united. How long can Radical Socialist (middle-class Liberal) support be relied on? Will its defection, if it occurs, be offset by increased membership in the parties on the left? Democracy in France is to-day threatened as never before in her recent history.

The majority of people in the United States and Canada long ago convinced themselves that, while they were *in* the world, they were not *of* it. The recent years of depression shook that conviction, but did not destroy it. On the surface, there was much to warrant such a feeling of superiority—for, whether or not they admitted it, it was a feeling of superiority. The thousands of miles of water that separate North America from its nearest predatory neighbour engender a feeling of security. Canada, besides distance, has also the protection of the British Empire. In addition, Canada has one of the largest air forces, navies, and armies in the world. True, it flies the American flag and costs her nothing, but it belongs to her just as much as it does to the United States. In the light of the recent remarkable developments in aviation, the loss of a single foothold on Canadian soil is just as much of a menace to the United States as it is to Canada. In fact it is more so, for she has more to lose. *Ipso facto,* whether Canada likes it or not, she is assured of American protection. And she is under no obligation for it, for her protection is only incidental to that of the United States. That country is now fortifying the Aleutian Islands—over a thousand miles to the

west of the northern British Columbia coast. All Canada falls naturally within that ambit of defence. It is the result of a happy geographical accident, and a mere iota of that grim realism that characterizes British foreign policy to-day will enable Canada to view her situation with equanimity and without loss of pride.

But the superiority long felt, and sometimes displayed, by Canadians and Americans rests on much more than a feeling of physical security. An abundance of land, ample resources, a rapidly growing domestic market, and a chronic shortage of labour were long characteristic of their economy. The net result was general well-being and a relatively high standard of living. Naturally there was, for a long period of time, little incentive for labour to organize economically and politically, and practically no demand for social insurance and other such protective devices commonplace in industrialized European countries. A curious paradox resulted: Canadian and American labour, while it enjoyed comparative luxury, was much more defenceless in adversity than its European counterpart; and adversity slowly developed. Cheap land has disappeared in the United States and become a drug on the market in Canada. Chronic shortage of labour has been more than offset by immigration, natural increase, and the development of the machine. Canada's resources are being gutted to-day just as successfully as were those of the United States yesterday; and, with prices of primary materials at unusually low levels, she is getting little in return. There is nothing much she can do about it for she must sell those materials on a world market over which she has no control. Finally her industrial development has overhauled existing effective demand. All this has been going on for some time; but it has only recently become obvious. The results are now known to all. The United States has had, during the last five years, more people unemployed and more people on relief (known as the "dole" before it struck North America) than all of the industrial countries of Europe together! Moreover, American labour in 1929 was practically unorganized, and hardly knew the meaning of the term "social insurance". It has paid and is paying a terrific price for its "rugged individualism". The difference between the conditions of the American and Canadian worker is due chiefly to the economic size of the two countries.

There is another difference between the working class of Europe

and that of North America. The former, in the main, has been satisfied with little more than subsistence. The more active element emigrated. Those who remained seldom questioned economic distinctions of long standing. The North American is different. From earliest childhood he has visualized the day when he would become a Roosevelt, a Mackenzie King, a Rockefeller, a Holt, or a Capone. He was not particular about his field of endeavour—he simply took it for granted that he would excel. His home environment, his church, and his school, had taught him that. It is not surprising that he believed it. Unemployment, destitution, private charity, and public relief momentarily stunned him and smashed his pride. He is now recovering from the double blow and is becoming restive. As he realizes that he is likely to remain a worker earning a more or less precarious living in an economically unstable society, he will react exactly as his European brothers have done before him. He will build his own economic and political organizations and will take action to assure his economic well-being. When he finds that he is definitely handicapped in solving his problems under the *status quo,* he will challenge existing society itself. Already he is beginning to do so. As yet the issues are by no means clear to him. They will be in the future. In other words, the difference between the European and North American worker is due to differences in economic environment and in time. The North American has lagged in taking political and economic action for the plain and simple reason that he did not need them, but he will be forced to use both in the future. Likewise, there is little reason to doubt that monopoly capital will pursue the policies here that it has pursued elsewhere in defending its interests. Since labour on this continent must perforce start from scratch, and since it is still only dimly aware of the forces at work, Fascism must be given better than an even chance of success. It will not be called that, for Fascism abroad has earned too unsavoury a name, and it will not be as direct, as open, or as brutal for "we don't do those things". But it will be Fascism.

Certain Canadians are fond of proclaiming that "Canada is a middle-class country". They labour under the delusion that a *state of mind* can offset the *economic forces* that are at work here as elsewhere. Admittedly, class lines in Canada have been, for reasons already mentioned, less rigidly drawn than in Europe. The fact that

the average Canadian worker still considers himself either actually or potentially a member of the middle class proves only that he is blissfully unaware of what is going on around him. His relatively high standard of living in the past has lulled him into a sense of security that is at variance with the present facts of the situation. As the issues become clearer, class lines will be more sharply drawn. It does not necessarily follow that class interests automatically determine political philosophy—the rank and file of Fascism *prove* that. The very fact that such a large percentage of North Americans fail to correlate their own economic interests and their political philosophy is a positive guarantee that Fascism here will not lack the mass basis so necessary for its rise to power. Any ostensibly radical party that formulates its economic philosophy and chooses its political platform on the assumption that "Canada is a middle-class country" is foredoomed to political impotence and eventually to extinction. As economic crisis sharpens, such parties are invariably split asunder. The smaller, more active, and class-conscious group will move to the left. The larger, more inchoate group, including most of its present leaders, will lose its identity by moving to the right where it logically belongs. In other words, it will share the fate that Social Democracy has inevitably met elsewhere. A denial of this inevitability based on the assumption that Canada "is somehow different" is not only proof positive that its leaders do not understand the issues at stake; it is also ample evidence that they cannot learn.

Writers on the extreme left wing have frequently maintained that Social Democratic leaders are thoroughly conscious from the beginning of the role they are to play, and that their very action is a deliberate betrayal of the working-class. There is undoubtedly some evidence which compels one to suspect the sincerity and integrity of certain Social Democratic leaders, but to maintain that as a group they are nothing less than scheming charlatans is simply fantastic. The truer explanation is that they are, in the majority of cases, misguided idealists who fail to see what they really want can only be obtained by means which they abhor and so repudiate. They are men of debate rather than of action, and their task involves the tearing down of stone walls with bare hands. Naturally enough they fail.

Capitalism has so far survived, not so much because of its leaders, as in spite of their blindness, stupidity, and downright blundering.

Its own inherent strength plus the ignorance and apathy of the class it must exploit in order to exist are the explanation of much of its ability to survive. If its representatives were but half as diabolically clever as certain extremists believe them to be, the nations of the world would not now be confronted with the spectres facing them on half a dozen fronts. Roosevelt is no Social Democrat, but to describe his New Deal as representing "the most comprehensive and ruthless attempt of finance-capital to consolidate its power with the entire strength of the State machine over the whole field of industry, to hold the workers in subjection under extreme and intensified exploitation with a universal lowering of standards, to conduct on this basis and on the basis of the depreciated dollar a world campaign for markets, and to prepare directly the consequent inevitable war"[21] is to give a completely erroneous picture. One statement alone will refute it—President Roosevelt is by no means so clever. While it is true that the New Deal may eventually *produce* those results, the statement that it was so *planned* is absurd. And so with the Social Democrats—*they* plan but *other factors* determine.

Granting the inevitability of the *appearance* of Fascism, does it logically follow that it must *come into power*? The answer is an emphatic *No*. Calm acceptance of the opposite implies an economic fatalism that even Karl Marx (popular opinion notwithstanding) spent much of his life and efforts refuting. The temporary prevention of Fascism depends upon a *united stand* of all genuinely liberal elements against it. That common cause does *not* necessarily imply the adoption of a common programme *except on that one issue*. For Canadian Social Democrats to refuse to co-operate with more radical elements because they "can't depend on them" is palpably hypocritical in the light of Social Democracy's record of failure (if not betrayal) elsewhere. If Canadian Fascism, now but a latent possibility, ever comes into power because its opponents fail to unite against it, the blame will lie at the door of Social Democracy.

The permanent solution of the Fascist menace can result only from the liquidation of those interests for whose protection Fascism is created and maintained. At present, a "middle-road" exists, though it is becoming perceptibly narrower. Another world-wide war will

[21]Palme Dutt, *Fascism and Social Revolution*, p. 267.

blast it, along wtih many other things, into oblivion. The chances of permanent peace leave even the most conservative pessimistic to-day.

In summary, Fascism is Undemocratic Capitalism. It results from economic crisis, a decline in parliamentarianism, and the threat of Communism. It originates as a petty middle-class movement with a nondescript programme, the obfuscations, ambiguities, and contradictions of which are mystically welded into a dazzling halo about the head of a blindly-followed LEADER. It comes to maturity through a union of Big and Little capital inspired by confusion and alarm. Its appearance upon the political stage is *via* a quasi-constitutional entrance, and scene 1 of the play witnesses a consolidation of power along loosely interpreted democratic lines; scene 2 is one long war —a series of battles fought along numerous fronts: against unemployment, destitution, adverse trade balances, declining gold reserves, the machinations of jealous foreign nations, renegades within the state, Pontine mosquitoes, and Jews—and ends in a glorious Pyrrhic victory; scene 3 presents the deification of a shadowy figure, the *Corporate State,* and the worship of the Holy Trinity of Fascism—Political Absolutism, Religious Mysticism, and Economic Nationalism. As the curtain falls on act I, the Fascist army, composed of all able-bodied males over the age of eight, marches forth to smash its natural foe—Democracy.

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